

TEACHERS' RETIREMENT BOARD
SUBCOMMITTEE ON CORPORATE GOVERNANCE

SUBJECT: Approval of Minutes of the May 1, 2002
Subcommittee on Corporate Governance, Open Session

ITEM NUMBER: 3

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: June 5, 2002

INFORMATION:

PRESENTER(S): Chairperson

Proposed minutes of the Subcommittee on Corporate Governance meeting held in open session May 1, 2002 are submitted as Attachment 1.

**PROPOSED
MINUTES OF THE
SUBCOMMITTEE ON CORPORATE GOVERNANCE
OF THE
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
MAY 1, 2002
OPEN SESSION
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA**

SUBCOMMITTEE MEMBERS PRESENT

Ted Eliopoulos representing State Treasurer, Philip Angelides, Chairperson
George Fenimore
Karen Russell
Jay Schenirer
Carolyn Widener
Annette Porini, representing State Director of Finance, Tim Gage
Kathleen Connell, State Controller
Richard Whitmore, representing State Superintendent of Public Instruction, Delaine Eastin

OTHER BOARD MEMBERS AND REPRESENTATIVES PRESENT

Gary Lynes
Paul Krasnow
Christine Solich
Louis Willhoit

STAFF PRESENT

Jack Ehnes, Chief Executive Officer
Christopher Ailman, Chief Investment Officer
Elleen Okada, Director of Investment Administration and External Relations
Chris Waddell, Chief Counsel
Ed Derman, DCEO, External Affairs and Program Development
Doug Wills, Staff Counsel
Janice Hester Amey, Principal Investment Officer
Mary Ann Avansino, Administrative Assistant

OTHERS PRESENT

Allan Emkin, Pension Consulting Alliance
Elizabeth Fender, TIAA-CREFF
Margaret Foran, Pfizer Inc.
William Blake Patterson, AFL-CIO
Sarah A. B. Teslik, Council of Institutional Investors
Dorothy Moser, CTA/NEA, Retired
Michael Green, CTA
Edna White, CRTA
Tony Jones, CTA

Lois Shive, CTA
Loretta Toggenburger, UTLA, Retired
Pat Geyer, CRTA
Robert Landis, UESF

A quorum being present, Mr. Eliopoulos, called the open session meeting to order at 8:35 a.m.

I. **ANNOUNCEMENTS** (Item 2)

There were no announcements.

II. **APPROVAL OF MINUTES OF THE APRIL 3, 2002 SUBCOMMITTEE ON CORPORATE GOVERNANCE, OPEN SESSION** (Item 3)

MOTION duly made by Mr. Fenimore, seconded by Ms. Widener and carried to approve the minutes of the April 3, 2002 Subcommittee on Corporate Governance, Open Session as presented.

III. **CORPORATE GOVERNANCE INITIATIVES** (Item 4)

Ms. Hester Amey reported on updates to the Implementation Plan Regarding Financial Market Reform Matrix including letters sent to oversight bodies, contact with other institutional investors, CalSTRS press release, and a presentation by the CEO to the California Chamber of Commerce.

IV. **PANEL DISCUSSION ON CORPORATE GOVERNANCE** (Item 5)

Ms. Hester Amey introduced the panel that consisted of Ms. Fender, Director of Corporate Governance at TIAA-CREF, Ms. Foran, Vice President Corporate Governance, and Assistant Secretary of Pfizer Inc., Mr. Patterson, Director of the AFL-CIO Office of Investment, Ms. Teslik, Executive Director of the Council of Institutional Investors. Ms. Fender discussed focus issues under consideration by TIAA-CREF. Ms. Foran discussed a corporate perspective of corporate governance issues and efforts of shareholders. Ms. Teslik discussed corporate governance philosophy and issues under consideration by CalSTRS. Mr. Patterson discussed director accountability.

Dr. Connell arrived at the meeting at 9:50 a.m.

Discussion of corporate governance issues continued.

VI. **DRAFT AGENDA FOR THE APRIL SUBCOMMITTEE ON CORPORATE GOVERNANCE MEETING** (Item 6)

There were no changes to the draft agenda for the June meeting.

VII. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC** (Item 7)

There were no additional statements from the public.

VIII. **MOVE TO CLOSED SESSION**

Chairperson Angelides recessed the meeting and reconvened into closed session at 10:17 a.m.

IX. **ADJOURNMENT**

Chairperson Angelides announced that while in closed session the Subcommittee discussed securities litigation issues. There being no further business to conduct, the meeting was adjourned at 10:30 a.m.

Jack Ehnes, Chief Executive Officer and Secretary to the Teachers'
Retirement Board

Philip Angelides, Chairperson